



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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October 20, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NO.1 TO LEASE NO. 72059
PROBATION DEPARTMENT
321 EAST AVENUE K-4 , LANCASTER
(FIFTH DISTRICT) (3 VOTES)**

SUBJECT

This recommendation is a five-year lease amendment to extend the term for 6,400 rentable square feet of office space for the Probation Department.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that this lease Amendment No. 1 is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Class 1, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board per Section 15301 of the State CEQA Guidelines (Existing Facilities).
2. Approve and instruct the Chairman to sign the attached Amendment No. 1 with Edith Oberman (Lessor) to extend the term of Lease No. 72059 for a five-year period for the continued occupancy of 6,400 gross rentable square feet of office space for the Probation Department, at 321 East Avenue K-4, Lancaster, at an initial annual rent of \$112,320 which is a 100 percent net County cost. The five-year extension in Amendment No.1 to Lease No. 72059 will commence upon approval by your Board.

"To Enrich Lives Through Effective And Caring Service"

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed Amendment No. 1 to Lease No. 72059 will allow the County of Los Angeles (County) to extend the term of the lease for five years for the Juvenile Field Services (JFS) program located at 321 East Avenue K-4, Lancaster. This program provides services to the Antelope Valley Delinquency Courts and juvenile clients and their families in the Antelope Valley area.

Due to current budget constraints, JFS must remain at the existing facility rather than attempting to move and relocate to a new facility which would accommodate its current space requirement estimated to be 12,182, square feet. Constructing new and extensive Tenant Improvement (TI), purchasing new furniture, and installing new telephone and data at another location would increase the costs significantly. Retaining the existing office space with the existing improvements, including furniture and parking will provide continued administrative housing for JFS in the most cost-effective manner.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we ensure that the committed efforts of the public safety partners continue to maintain and improve to the highest level of safety and security standards for the citizens of the County (Goal 5) and eliminate ineffective policies and inefficient procedures that lead to the systemic causes of custodial overcrowding (Strategy 3). In this case we are continuing a program aimed at reducing the potential for contact between the adult and juvenile justice systems in accordance with the Strategic Asset Management principals, as further outlined in Attachment A.

- The Lessor will install new exterior lights, clean and repair carpeting throughout the premises, paint and replace damaged ceiling tiles, refurbish two water fountains and clean and replant exterior landscape.
- A cancellation provision is in the lease allowing the County to cancel the lease anytime after the 36th month of the option period upon 60 days prior written notice.

Chief Executive Office (CEO) Real Estate staff surveyed the service area to determine the market rate of comparable sites. Based upon said survey, staff has established that the base rental range including parking for similar property is between \$17.55 and \$24.00 per square foot per year full-service. Thus, the base annual rent of \$17.55 per square foot for the base lease cost is at the low end of market for this area. Attachment B shows County-owned and leased facilities within the search area for these programs and none are available to house these programs.

The Department of Public Works has inspected this facility and has reported that the building meets current standards for the County's occupancy.

A child care center is not feasible in this location. However, there are several private child care centers available for County employees within a five-mile radius of the subject location.

ENVIRONMENTAL IMPACT REPORT

The CEO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease will provide the necessary space for continued use by Probation. Probation concurs with this recommendation in accordance with your Board's policy on housing County offices or activities.

FISCAL IMPACT/FINANCING

The annual base rent cost for the subject facility will initially be \$112,320. The base rent will be adjusted on an annual basis by \$2,400 throughout the term of the lease.

321 EAST AVE K-4	EXISTING LEASE	AMENDED LEASE	CHANGES
Area (square feet)	6,400 sf. office space	6,400 sf. office space	None
Term	06/15/2004 -06/14/2009 Month-to-Month	Upon Board approval Five-year term	+ Five years
Annual Base Rent	\$109,048(\$17.03/sq.ft.)	\$112,320 (\$17.55/sq.ft.)	+ \$3,272 (3 percent increase)
Parking Included in Rent	30 off-street spaces	30 off-street spaces	None
Cancellation	Upon 60 days notice	Anytime upon 60 days notice after 36 th month	Cancellation after 36 th month upon 60 days notice
Option to Renew	One five-year (exercised)	None	No Option
Rental Adjustment	Five percent of operating expense rent	Annual increase of \$2,400 to Base Rent	\$2,400 annual rent increase

Sufficient funding for the proposed lease amendment is included in the 2009-2010 Rent Expense budget and will be charged back to Probation. Sufficient funding is available in Probation's operating budget to cover the proposed lease costs.

The annual lease cost for Probation is 100 percent NCC.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The amended lease contains the following provisions:

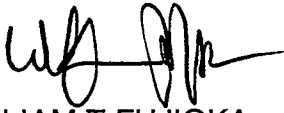
- The term is five years. The new base rent during the first year is \$112,320.
- The lease continues on a full service basis and the Lessor is responsible for all interior and exterior maintenance.

The Honorable Board of Supervisors
October 20, 2009
Page 5

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two originals of the executed Amendment No. 1 Lease No. 72059, two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'WTF', followed by a horizontal line and a stylized flourish.

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:WLD
CEM:TJS:hd

Attachments (2)

c: County Counsel
Auditor-Controller
Probation Department

**PROBATION DEPARTMENT
321 EAST AVENUE K-4, LANCASTER**

Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²	X		
	B	Does lease co-locate with other functions to better serve clients? ²			X
	C	Does this lease centralize business support functions? ²			X
	D	Does this lease meet the guideline of 200 sq ft of space per person? ² 175 sf per person.	X		
2.	<u>Capital</u>				
	A	Should program be in leased space to maximize State/Federal funding?		X	
	B	If not, is this a long term County program?	X		
	C	Is it a net County cost (NCC) program? The lease cost for PD is 100% NCC.	X		
	D	If yes to 2 B or C; capital lease or operating lease with an option?		X	
	E	If no, are there any suitable County-owned facilities available?		X	
	F	If yes, why is lease being recommended over occupancy in County-owned space?			X
	G	Is Building Description Report attached as Attachment B?	X		
	H	Was build-to-suit or capital project considered? A build-to-suit project was not considered, the cost to back-fill existing space offsets justify a build to suit at this time.		X	
3.	<u>Portfolio Management</u>				
	A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?	X		
	D	Why was this program not co-located?			
		1. ___ The program clientele requires a "stand alone" facility.			
		2. <u>X</u> No suitable County occupied properties in project area.			
		3. ___ No County-owned facilities available for the project.			
		4. ___ Could not get City clearance or approval.			
		5. ___ The Program is being co-located.			
	E	Is lease a full service lease? ²	X		
	F	Has growth projection been considered in space request? Yes, the SRE was approved for 12, 187 sq.ft. instead of remaining at the 6,400 sq. ft. premises. Yes, the SRE was approved for 12,182 sq.ft. However, due to budgetary constraints, it is not feasible to pursue the larger space.	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
		¹ As approved by the Board of Supervisors 11/17/98			
		² If not, why not?			

Attachment B

SPACE SEARCH - 10 MILE RADIUS OF SERVICE AREAS

LACO	FACILITY NAME	ADDRESS	SQ. FT. GROSS	SQ. FT. NET	OWNERSHIP	SQ. FT. AVAIL
0059	PW Road -Div #551 Maintenance	4859 W Ave L-12 Quartz Hill	1,2501	1,125	OWNED	NONE
D620	Public Library-Quartz Hill	42018 N 50 th St. W., Quartz Hill	3,530	3,291	LEASED	NONE
B636	DPSS Lancaster Office Center	43770 N 15 th Street W, Lancaster	4,020	3,901	LEASED	NONE
A079	Assessor's Regional Office	251 E Avenue K-6, Lancaster	15,338	13,712	LEASED	NONE
A035	Board of Supervisors 5 th District Field Office	1113 W 4 th Street W, Lancaster	1,241	1,164	LEASED	NONE
X511	Antelope Valley Courthouse	42011 4 th St, W, Lancaster	389,000	267,610	FINANCED	NONE
A492	DPSS Lancaster IHSS Annex	43424 Copeland Cir., Lancaster	2,400	2,280	LEASED	NONE
X495	PW Waterworks North Maintenance Area	260 E Avenue K-8 Between K-8 and K-10, Lancaster	13,200	11,150	OWNED	NONE
A125	Lake Los Angeles Library	16921 E Avenue O, Palmdale	3,245	2,921	LEASED	NONE
A125	Lake Los Angeles Clinic	16921 E Avenue O, Palmdale	2,457	2,211	LEASED	NONE
A380	DPSS Antelope Valley CAIN	1050 E Palmdale Blvd., Palmdale	18,795	17,855	LEASED	NONE
A509	Palmdale Courthouse	38256 Sierra Highway, Palmdale	18,528	16,256	OWNED	NONE

**AMENDMENT NO. 1 TO LEASE NO. 72059
PROBATION DEPARTMENT
321 EAST AVENUE K-4, LANCASTER**

This Amendment No.1 to Lease No. 72059 ("Amendment" or "Amendment No. 1") is made and entered into this _____ day of _____, 2009 by and between EDITH OBERMAN, hereafter referred to as "Lessor" and COUNTY OF LOS ANGELES, a body politic and corporate, hereinafter referred to as "Lessee".

RECITALS:

WHEREAS, Lessor and Lessee entered into Lease No. 72059 dated March 16, 1989 and Five-Year Option to Renew Lease No. 72059 dated June 15, 2004, (collectively, the "Lease") pursuant to which Lessor leased to Lessee those certain premises located in the Building at 321 East Avenue K-4, Lancaster, California, ("Building") more particularly described as approximately 6,400 rentable square feet of office space consisting of the entire Suite 2 of the Building; and Lessor has succeeded to Dennis Oberman's interest as the Lessor under the Lease and

WHEREAS, the parties now wish to amend the Lease in certain respects.

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the following amendments are effective upon the date first above written:

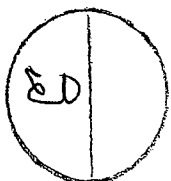
1. Article 2(B) of the Lease (Options to Renew) is hereby deleted, and the following is inserted in substitution:

(B) TERM EXTENSION: The term of the Lease shall be extended for a period of five (5) years beginning upon approval of this Amendment by the Board of Supervisors and ending sixty (60) months thereafter (the "Extended Term"). Additionally, Lessee already occupies the Premises as of the date of this Amendment No.1.

(D) CANCELLATION OF LEASE: Lessee shall have the right to cancel this Lease at any time after the thirty-sixth (36th) month of the Extended Term by giving Lessor one hundred-twenty (120) days prior notice, by letter from Lessee's Chief Executive Office ("CEO") of its intention to cancel.

2. Article 3 of the Lease is hereby deleted and the following inserted in substitution thereof:

RENT: Lessee hereby agrees to pay as rent for the Premises during the term hereof the sum of Nine Thousand Three Hundred-sixty and 00/100 Dollars (\$9,360.00) per month or \$1.46 per rentable square foot per month. Lessee shall pay Lessor all rent and other payments due to Lessor hereunder provided Landlord files a payment voucher therefor prior to the commencement of the Extended Term and thereafter



annually during the month of June with the Auditor of the County of Los Angeles (the "County"). Rent for any partial month shall be prorated in proportion to the number of days in such month. Commencing on the first calendar anniversary of the commencement of the Extended Term, and on each calendar anniversary thereafter, the monthly rent as set forth above shall be increased by \$200.00.

3. Article 29 of the Lease is hereby deleted in its entirety.

4. Articles 30, 31 and 32 to the Lease are hereby added to the Lease as follows:

30. LIMITATION OF AUTHORITY

Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Lessor understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal Board action. No County officer, employee, agent, or independent contractor has any authority to alter, add or delete the material terms of this Lease; and Lessor may not rely upon any representations to the contrary.

This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for tenant improvements or other project costs of Lessor which are subject to reimbursement by County. County shall not reimburse Lessor for any expenses which exceed this ceiling.

31. PERFORMANCE: Lessor, within thirty (30) days after receipt of a duly executed copy of this Amendment, shall at Lessor's sole expense, provide the following improvements to the Premises:

- 1) Install two (2) exterior lights
- 2) Clean and repair carpeting throughout the Premises annually beginning July 1, 2009. [update this date?]
- 3) Paint Lobby; paint office bathrooms (2) and employee breakroom and touch-up interior walls and posts.
- 4) replace stained ceiling tiles.
- 5) Clean all ceiling vents.
- 6) Public Restrooms replace toilet seat and reseal base
- 7) Employee Restroom replace glass globes on ceiling fixture.
- 8) Clean and refurbish water fountains (2) as needed
- 9) Exterior landscape cleaned and replanted as needed

All items shall be completed within sixty (60) days after commencement of the Extension Term.

32. IRREVOCABLE OFFER:


In consideration for the time and expense that Lessee will invest including but not limited to preliminary space planning, legal review, and preparation and noticing for presentation to the County Real Estate Management Commission (if applicable) in reliance on Lessor's covenant to lease to Lessee under the terms of this lease offer, the Lessor irrevocably promises to keep this offer open until October 31, 2009.

5. If there are any inconsistencies, variances or differences between any provision of the Lease and a provision of this Amendment No. 1, the provisions of this Amendment No. 1 shall prevail and control. The Lease, as amended, is ratified, confirmed and approved.

IN WITNESS WHEREOF, the Lessor has executed this Amendment No. 1 or caused it to be executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment No. 1 to be executed on its behalf by the Chairman of said Board and attested by the Clerk thereof the day, month, and year first above written.

LESSOR

By: EDITH OBERMAN

By: 

ATTESTED:

SACHI A. HAMAI
Executive Officer-Clerk
of the Board of Supervisors

By: _____
Deputy

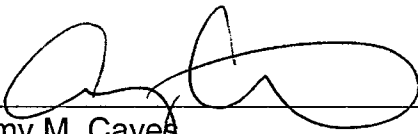
LESSEE

COUNTY OF LOS ANGELES

By: _____
Chairman, Board of Supervisors

APPROVED AS TO FORM:

ROBERT E. KALUNIAN
ACTING COUNTY COUNSEL

By: 
Amy M. Caves
Senior Deputy County Counsel